

**PROCEEDINGS BEFORE THE  
WASHINGTON STATE  
BOARD OF ACCOUNTANCY**

In the matter of the Certified Public Accountant  
(CPA) Certificate and/or License(s) to Practice as a  
CPA and/or CPA Firm of:

Gregory S. Nunn, CPA,  
Individually and as Owner of  
Gregory S. Nunn & Co., PLLC

Respondent.

No. ACB-1357

STIPULATION AND  
AGREED ORDER

The Washington State Board of Accountancy (Board) and Gregory S. Nunn (Respondent)  
stipulate and agree as follows:

**Section 1: Procedural Stipulations**

- 1.1 The Respondent understands that the State may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges although the State has not done so, in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060.
- 1.2 The Respondent understands that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's certified public accountant certificate or any individual or firm license to practice public accounting as a certified public accountant in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.
- 1.3 The Respondent understands that the Respondent has the right to defend against a statement of charges by requesting a hearing and presenting evidence on the Respondent's behalf and the Respondent voluntarily waives the right to a hearing and all

other rights which may be accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

- 1.4 The Respondent wishes to expedite the resolution of this matter by means of this Stipulation and Agreed Order and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 The Respondent understands that this Stipulation and Agreed Order is not binding unless it is approved by the Board.
- 1.6 Should this Stipulation and Agreed Order be rejected by the Board and the State proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting Board member in this proceeding.
- 1.7 The parties further stipulate to the following Stipulated Facts, Conclusions of Law and Agreed Order:

## **Section 2: Stipulated Facts**

- 2.1 At all times material hereto, Gregory S. Nunn the Respondent herein, held a Certified Public Accountant (CPA) certificate (No. 08471) and license to practice public accounting in the state of Washington. The Respondent is the sole owner of the CPA firm, Gregory Tax Resolution & CPA Services PLLC (formerly registered as Gregory S. Nunn & Co, PLLC), a limited liability company. At all times material hereto, the CPA firm, Gregory S. Nunn & Co, PLLC, held a valid license (No. 4263) to practice public accounting as a CPA firm in the state of Washington.
- 2.2 The Respondent prepared U.S. Individual Income Tax Return Form 1040 for clients, Steven E. and Kelly A. Rakes ("clients"), for tax year 2006.
- 2.3 On September 26, 2008, the Department of the Treasury Internal Revenue Service ("IRS"), advised the clients of the IRS' examination of the clients' 2006 federal income

tax return. On October 23, 2008, the clients and Respondent signed IRS form 2848 Power of Attorney and Declaration of Representative appointing the Respondent as attorney-in-fact to represent the clients before the IRS for income tax Form 1040 for 2006.

- 2.4 On February 11, 2009, and February 27, 2009, the IRS advised the Respondent that the examination of the clients' Form 1040 for 2006 had been transferred to another revenue agent. The IRS enclosed Information Document Request (IDR) # 1 and requested that the Respondent mail the requested documents and information to the revenue agent at a San Francisco, California address by March 23, 2009. The Respondent did not respond by this deadline.
- 2.5 The Respondent maintains that on April 1, 2009, the Respondent personally delivered the requested information to an IRS office located in Bellevue, Washington. The Respondent maintains he asked the IRS personnel he spoke with if they could forward the information to the assigned revenue agent in San Francisco. Respondent maintains the IRS personnel assured the Respondent they would. The Respondent did not prepare a cover letter to accompany his transmittal of the documents to the IRS or obtain a receipt from the IRS office in Bellevue, Washington.
- 2.6 On April 30, 2009, the IRS mailed IDR 2006 #2 to the Respondent requesting documents and information related to the clients' Form 1040 for 2006. The IRS requested the items be mailed to the assigned revenue agent at a San Francisco, California address by June 1, 2009. The Respondent maintains he compared IDR #1 with IDR #2 and determined they both contained essentially the same requested information. The Respondent maintains he left a voice mail for the assigned revenue agent indicating the Respondent had delivered the IDR #1 information to the Bellevue IRS office on April 1, 2009.
- 2.7 On July 21, 2009, the IRS mailed a notice to the Respondent that the assigned revenue agent had not received responses to the April 30, 2009, and June 1, 2009, IDRs. The IRS

enclosed a report (Form 4549) that reflected proposed adjustments for the clients' Form 1040 for 2006. The adjustment resulted in an increase in tax for the clients plus interest. The IRS requested a response by August 20, 2009.

- 2.8 On July 31, 2009, the clients terminated their relationship with the Respondent.
- 2.9 On April 30, 2010, the King County District Court granted a judgment to the clients in the amount of \$3,194.61 including filing and service fees and dismissed with prejudice the Respondent's counter claim.

Based on the foregoing Stipulated Facts, the Board makes the following:

### **Section 3: Conclusions of Law**

- 3.1 The Washington State Board of Accountancy has jurisdiction over the subject matter herein.
- 3.2 The Respondent's acts and omissions described in Stipulated Facts 2.2 through 2.8 constitute cause for Board discipline under RCW 18.04.295(4), RCW 18.04.305 and WAC 4-30-142 (previously codified as WAC 4-25-910) that requires a CPA to comply with rules of professional conduct.
- 3.3 The order of the King County District Court constitutes prima facie evidence that the CPA and/or CPA firm engaged in dishonest, fraudulent, or negligent acts reflecting adversely on the CPA and the CPA firm's fitness to represent himself and its self as licensees pursuant to WAC 4-30-142(6) and constitutes grounds for discipline under RCW 18.04.295 and RCW 18.04.305.

### **Section 4: Agreed Order**

Based on the Stipulated Facts and Conclusions of Law, the Respondent agrees to entry of the following Order:

- 4.1 Respondent Gregory S. Nunn, agrees to:
  - 4.1.1 Pay a ~~\$1,500~~ <sup>1,000</sup> fine. This fine shall be payable to the Washington State Board of Accountancy and remitted to the Board via the Board's online services or at PO

Box 41465, Olympia, WA 98504-1465 in such a manner that the Board receives it within 60 days of the Board's acceptance and entry of this Stipulation and Agreed Order.

4.1.2 Reimburse the Board \$500 for investigative and legal costs. This payment shall be payable to the Washington State Board of Accountancy and remitted to the Board via the Board's online services or at PO Box 41465, Olympia, WA 98504-1465 in such a manner that the Board receives it within 60 days of the Board's acceptance and entry of this Stipulation and Agreed Order.

4.1.3 Complete a group or interactive self-study continuing professional education (CPE) course of at least eight hours in IRS procedures or such other CPE as Respondent and the Executive Director may agree upon. Such CPE shall be approved in advance by the Executive Director as conforming to the Board's order. Such CPE shall be eligible to satisfy part of the Board's CPE requirement for renewal of the Respondent's individual CPA license. Respondent shall provide supporting documentation of course completion to the Board in such manner that the Board receives it within 30 days of the Respondent's completion of the course.

4.2 The Board will publish the terms of this Stipulation and Agreed Order.

4.3 Any and all costs involved in complying with this Order shall be borne by the Respondent.

4.4 Any violation of the terms and conditions of this Agreed Order, chapter 18.04 RCW, and/or Title 4 WAC following the date of acceptance by the Board and notification of such acceptance to the Respondent shall be grounds for denying, suspending, revoking, or refusing to renew the Respondent's certificate and/or license(s) as provided by chapter 18.04 RCW. The terms of this Stipulation and Agreed Order apply to and resolve only the violations referred to herein.

4.5 Nothing in this Order precludes the Board from exercising its authority and responsibilities under chapter 18.04 RCW or Title 4 WAC. Any violations of such chapters not herein addressed or of this Order constitute independent grounds as provided for by law for Board action against the Respondent.

I, **GREGORY S. NUNN**, certify that I have read this Stipulation and Agreed Order in its entirety; that I fully understand and agree to all of it, and that it may be presented to the Board without my appearance. If the Board accepts the Stipulation and Agreed Order, I understand that I will receive a signed copy.

DATED this 4<sup>th</sup> day of January, 2013.

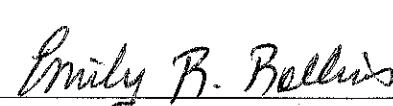
  
Gregory S. Nunn, CPA  
Respondent

### Section 5: Order

The Board accepts and enters this Stipulation and Agreed Order.

DATED this 18<sup>th</sup> day of January, 2013.

WASHINGTON STATE BOARD OF ACCOUNTANCY

  
Emily B. Bellus  
Presiding Officer